

Appeals from decisions of Wyoming State Office, Bureau of Land Management, rejecting noncompetitive oil and gas lease offers. W-80476, et al.

Reversed.

1. Oil and Gas Leases: Applications: Drawings -- Oil and Gas Leases: Applications: Filing

A noncompetitive oil and gas lease offer filed by a first-drawn applicant, pursuant to 43 CFR 3112.4-1, is acceptable where the offer form is signed by the applicant but includes the title of the individual as a "General Partner" of a particular partnership, designated on the application as a party in interest, since it is possible to determine that the signature matches the name of the offeror and the words referring to title should have been treated as surplusage.

APPEARANCES: James E. Nesland, Esq., Denver, Colorado, for appellants; Patrick G. Pitet, Esq., Casper, Wyoming, for second-drawn applicant, Marathon Oil Company; Donald D. Coit, Oklahoma City, Oklahoma, second-drawn applicant.

OPINION BY ADMINISTRATIVE JUDGE FRAZIER

Ann M. Davis, Kathleen K. Machi, Barbara C. Dona, Janet K. Godfrey, and Joseph W. Cilurzo have appealed from various decisions of the Wyoming State Office, Bureau of Land Management (BLM), rejecting their noncompetitive oil and gas lease offers W-80476, et al. ^{1/}

^{1/} The various offerors, their offers, the respective parcels and the dates of the BLM decisions are listed as follows:

IBLA 83-29

Ann M. Davis	W-80476	WY-170	9/13/82
Kathleen K. Machi	W! 80499	WY! 193	9/3/82
Barbara C. Dona	W! 80504	WY! 198	9/7/82
Janet K. Godfrey	W! 80541	WY! 235	9/15/82

In the present case, the names of the appellants appear as the "prospective lessee[s]" on their respective noncompetitive oil and gas lease offers, along with a corresponding handwritten signature on the line marked "(Offeror/ Lessee Signature)." We conclude that appellants fully complied with 43 CFR 3112.4-1(a). The fact that appellants included their titles as "General Partner" does not alter the fact that the handwritten signatures on the lease offers match the names of the "prospective lessee[s]." Appellants indicated that a particular partnership had an interest in the application, therefore, the inclusion of their title in that partnership on the lease form does not change what would otherwise clearly be considered an offer by an individual into an offer by that partnership.

Our conclusion might be different if appellants had signed on the line marked "(Atty-in-fact or Agent's Signature)," indicating their relationship as general partners acting on behalf of the partnership, or if other general partners of appellants' partnership had signed as the offerors/lessees. In such circumstances, we might conclude that appellants had at least created an ambiguity in the lease offers which BLM was not required to resolve, and the offers could be construed as having been signed on behalf of the partnership, rather than on behalf of the individuals. See, e.g., J.F.C. Oil and Gas, 60 IBLA 191 (1981). However, neither situation is present here.

In McClain Hall, 61 IBLA 202 (1982), we reversed a BLM decision rejecting the appellants' noncompetitive oil and gas lease offer which was signed by the appellants, but which included the words "d/b/a Frank's Surface Radiation Evaluations" at the top of the lease offer forms. BLM had rejected the offer, concluding that "Frank's Surface Radiation Evaluations" was not a legal entity and, as such, was not authorized to hold an oil and gas lease under 30 U.S.C. § 181 (1976). We agreed with BLM's conclusion, but held that the additional words were mere surplusage, relying on the case of Winkler v. Andrus, 594 F.2d 775 (10th Cir. 1979). We, thus, concluded in effect that the offer should have been construed as having been made by an individual, rather than a sole proprietorship. Similarly, in Winkler, the court held that where a drawing entry card (now a simultaneous oil and gas application) was completed on the front side as "J.A. Winkler Agency," but signed on the reverse side as "J.A. Winkler," the word "Agency" should have been considered mere surplusage and the card construed as having been submitted by an individual.

The case of McClain Hall is closely analogous to the present case. The only difference is that it is the signature on the lease offer form which differs from the name at the top of the form by the inclusion of additional language. However, in both cases, we believe that the additional words should be considered mere surplusage where their inclusion does not violate any regulation and it is possible to determine the relevant information, *i.e.*, the names of the offerors, as in the case of McClain Hall, or that the signatures match the names of the offerors, as in the present case. We conclude that BLM improperly rejected appellants' noncompetitive oil and gas lease offers.

Appellants' simultaneous oil and gas lease applications were drawn with first priority for various parcels in the May 1982 simultaneous oil and gas lease drawing. ^{2/} By various decisions, BLM required appellants to submit executed copies of noncompetitive oil and gas lease offers (Form 3110-2 (Jan. 1978)) and stipulations, together with the first year's rental, within 30 days from receipt of the decision, in accordance with 43 CFR 3112.4-1. In its September 1982 decisions, BLM rejected appellants' lease offers because each appellant when signing the offer listed his/her title as a general partner for a partnership, which had been listed as another party in interest on his/her simultaneous oil and gas lease application. ^{3/} BLM stated in each case that its records showed that the partnership "would not have an interest until a proper assignment is approved by us, and since the offer was to you as an individual, your signature as General Partner is unacceptable."

In their statement of reasons for appeal, appellants contend that they complied with 43 CFR 3112.4-1, "the only regulation governing execution of lease offers by successful drawees," because they "personally signed in ink their individual names on the signature lines of the lease offers as the offeror/lessee," and not "their partnership names" (Statement of Reasons at 3 (emphasis in original)). Appellants argue that they did not violate any Departmental regulation by placing their title as general partner of a particular partnership on the lease offer and, furthermore, that the title should be considered as mere surplusage and not as creating any ambiguity in the lease offer.

[1] The applicable regulation, 43 CFR 3112.4-1(a), provides, in relevant part:

The lease agreement, consisting of a lease form approved by the Director, Bureau of Land Management, and stipulations included on the posted list or later determined to be necessary, shall be forwarded to the first qualified applicant for signing, together with a request for payment of the first year's rental. Only the personal handwritten signature of the prospective lessee, or his/her attorney-in-fact * * * in ink shall be accepted." [4/] [Emphasis added.]

fn. 1 (continued)

Ann M. Davis W! 80610 WY! 304 9/7/82
 Barbara C. Dona W! 80648 WY! 342 9/7/82
IBLA 83-42
 Joseph W. Cilurzo W-80413 WY-106 9/13/82

^{2/} Marathon Oil Company and Donald D. Coit were the second-drawn applicants, respectively, for parcels WY-235 (W-80541) and WY-106 (W-80413).

^{3/} The various partnerships, with the corresponding offerors, are listed as follows: Ann M. Davis -- Draco; Kathleen K. Machi -- Pegasus; Barbara C. Dona -- Orion; Janet K. Godfrey -- Corvus; and Joseph W. Cilurzo -- Gemini.

^{4/} Failure to file a lease offer in accordance with 43 CFR 3112.4-1(a) results in rejection of the offeror's simultaneous oil and gas lease application, under 43 CFR 3112.6-1(d), or rejection of the lease offer, under 43 CFR 3112.6-2(a).

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decisions appealed from are reversed.

Gail M. Frazier
Administrative Judge

We concur:

Douglas E. Henriques
Administrative Judge

Anne Poindexter Lewis
Administrative Judge